

**BUDGET ADVISORY COMMITTEE MEETING
DAVIE TOWN HALL
6591 ORANGE DRIVE
APRIL 25, 2007**

MEMBERS PRESENT

Dr. Robert Preziosi, Chair
Scott Spages, Vice Chair
Dan Barr [left at 6:30 p.m.]
David Oakes
Stuart Podel

ALSO PRESENT

Carol Menke, Acting Budget & Finance Director
Gary Shimun, Town Administrator

1. ROLL CALL

Chair Preziosi called the meeting to order at 5:32 p.m. Following the roll call, it was determined that a quorum was present.

2. APPROVAL OF MINUTES – January 22, 2007 and March 19, 2007

Motion made by Mr. Barr, seconded by Mr. Spages to accept the January 22, 2007 minutes as presented. In a voice vote, the motion was unanimously approved.

Motion made by Mr. Barr, seconded by Mr. Spages to accept the March 19, 2007 minutes as presented. In a voice vote, the motion was unanimously approved.

3. OLD BUSINESS

3.1 Quarterly Report – Cost Recovery

Ms. Menke reported the Cost Recovery Report from Development Services was for fiscal 2006, and comprised of items completed and items received. Ms. Menke stated Development Services had suggested some changes in wording to the Cost Recovery Ordinance and would have the draft of changes on the next agenda.

3.2 ANNUAL REPORT – ANNUAL REPORT – DR. PREZIOSI

Chair Preziosi stated the report would be available at the next meeting.

3.3 CREDIT CARD POLICY

Ms. Menke reported conferring with Mr. Hyman about the Committee's suggestion of requiring initials on each page of the credit card charges. Details of charges were printed for anyone having over \$10,000 in charges per calendar year 2006. Mr. Barr suggested reviewing the statements monthly watching for excessive or out of the ordinary charges. Ms. Menke stated that large charges would only be on Purchasing Division cards and those large charges had to be pre-approved.

3.4 VEHICLE USAGE POLICY

The Committee agreed to review the final draft of the vehicle usage policy to ensure the Town complied with all applicable laws.

4. NEW BUSINESS

Gary Shimun, Town Administrator

The Committee welcomed the new Town Administrator, Gary Shimun. Mr. Shimun updated the Committee on the following items:

Legislative changes to Cable TV

Mr. Shimun stated the Legislators were considering changes to the cable/TV industry and the changes would be considered drastic. The proposal included elimination of all franchises with municipalities. There would be no grandfather provisions for active contracts and customer service complaints would be forwarded to the State Department of Agriculture. The broadband and cable station would be eliminated which means no meetings or emergency announcements would be broadcast. The proposal would also preempt local authority for rights-of-ways. Granting them the ability and authority to put fiber optic cables in sewer lines, if they so desired, complicating any future cleaning of the sewer lines. A Committee member asked how this was possible and Mr. Shimun replied, "The State is sovereign and the City and County are subjects of the State." A Committee member stated the proposal had not passed yet and Mr. Shimun replied, the lobbyists had informed him, "If the cable/TV people get together on this, it would be a done deal." Mr. Shimun also reported the Town had previously received revenue from the cable franchise, and if it were to change and go through the State, it would appear in the budget as State revenue sharing.

Legislative changes to property tax relief

Mr. Shimun reported information had been received that the Senate was buckling on Property Tax Relief. The feedback reported the proposal contained a property tax

rollback to 2000-2001 levels with a two year freeze, no overrides or exclusions would be allowed, and no increase in sales tax would be allowed to compensate for the loss. This would mean a 35% rollback for the Town of Davie, removing \$13,000,000 to \$14,000,000 from the budget. A Committee member inquired when the Senate was to vote on the proposal and Mr. Shimun stated he should have an answer by next week and requested the Committee work with him in reducing the budget.

Budget reduction

Mr. Shimun advised the Committee of a plan to reduce the Budget if necessary including; eliminating capital improvement projects, cut backs in maintenance, a freeze on hiring, cut back or eliminate travel/education, elimination of personnel through general attrition and filling open positions by promotion of present personnel.

Police / Fire Departments

Mr. Shimun informed the Committee that the national average for a police department, was two officers per 1,000 of population and the local average was higher than that. The national average for firemen was one firefighter for 1,000 of population and the local average was double that. It should be noted that extra personnel were required for police/fire coverage of I-595, the Turnpike, and I-75: two officers per shift are required for highway coverage. Mr. Shimun believed the State had pushed off their responsibility on the Town and expected Davie to pay for the Police/Fire coverage for the highways. There are County Response Teams, but their coverage area is large and their response time is slow.

A suggestion was made to charge individuals for ambulance runs to recoup expenses. Ms. Menke reported insurance companies were attempting to contract with entities to provide only contracted rate payments. Mr. Shimun suggested opening east – west connector streets that would reduce the need for more fire stations and personnel by lowering the response time from central fire stations. The creation of open spaces had closed some east – west connector streets and citizens then complained that more fire stations were needed to cut down on response time. Mr. Shimun added, “The Town should also treat residents as citizens, rather than customers. In today’s society, residents come before the local government with a complaint and the Town tries to satisfy the customer, whereas in a democracy, citizens realize that some things must be sacrificed for the good of all.”

Land/Open Spaces

Mr. Shimun asserted, “When open space parcels are purchased, people usually remember that \$5,000,000 (example amount) were spent on the purchase, but in reality, there is the cost of the upgrade, perpetual maintenance, and the loss of the development revenue, which increases the purchase price from \$5,000,000 to \$25,000,000. No one ever considers this when open space projects are approved.”

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Mr. Shimun was asked how much vacant land Davie owned, and Mr. Shimun replied he did not know. A Committee member asked what the amount of debt payment was, and Ms. Menke replied the projection for next year, including principal and interest was \$8.4 million dollars. The suggestion was made to identify surplus/vacant land and sell it to reduce the debt. Mr. Shimun stated it would help, but he did not believe the Council would adopt that action. Ms. Menke stated a proposal had been sent to the Council to contract with an asset valuation company to inventory the Town's property, which would include all parcels of Town owned land.

Financial Officer

Mr. Shimun was asked about the status of hiring a new financial officer and replied the search was still in process, advertisements were sent out, interviews were scheduled, and a review board was in place. He hoped to have the position filled by the end of May 2007.

Budget

A question was raised about the status of the Budget; Mr. Shimun stated projected revenues and expenses were completed, next was the meetings with Department Heads to bring the budget into balance, and by the time that was completed the decision of the House and Senate should have arrived at their decision. Mr. Shimun stated, "If the House and Senate did nothing, there would be an in balance of about \$8,000,000 between revenue and expenses which would mean the deficit would be \$21,000,000 not \$13,000,000."

Water/Sewer

The water/sewer rate study should be completed within the next 30-60 days. The rebuilding of the plants would be a \$100,000,000 project that should be started on and be somewhat in place within the next three years. Discussion is ongoing to see if connection with the County would be beneficial for water and sewer. One of the largest problems facing the Town is that of small systems supplying water, which affect the ISO ratings for the Fire Department. Davie will never reach Class 1 water rating because the Town does not control the water system.

5. COMMENTS AND SUGGESTIONS

A comment was made about Mr. Spages statement that the Budget had doubled in three years; it was stated that the 2000-2001 budget was \$53,000,000. Clarification was requested concerning the increased budget, and concern was expressed that the budget did not contain a trend analysis for comparison. Mr. Shimun stated; "More than half of the budget was for public safety, and the budget Mr. Spages reviewed was fiscal 2000-2001 which was pre 9/11. After 9/11, police and firemen were given extensive leeway in their contracts. The negotiations for the Fire Department have neared completion and the firefighters were offered a significant increase in wages and up to a 75% benefit for

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their retirement after 20 years, although the union had asked for 80%. A starting fireman can earn \$50,000 to \$70,000 in the first year.” The Committee requested information on police and firefighters averages so they could make budget suggestions.

The Committee conveyed thoughts and reasons behind previous policies set before Mr. Shimun’s arrival and planned for future items to be discussed and consideration by the Committee to stay abreast of all areas of the budget. Mr. Shimun stated his experience prior to administration was as a planning director, and he would be forming long range plans to assist in creating a vision for Davie.

The Committee discussed recent personnel changes since Mr. Shimun came on board and the changes to the economic development position. Questions were raised about the total number of employees for the Town, not counting Police and Fire. A suggestion was made to have Mr. Shimun provide the Committee with data and statistics for the items discussed, and plans were discussed for future planning sessions for proper budget advisement to the Council.

6. ADJOURNMENT

There being no further business to come before the Committee the meeting adjourned at 7:00 p.m.